



# **GO PUBLIC**

**A study of DOT and NY  
State Consultant  
Spending Since 2004**

## **EXECUTIVE SUMMARY**

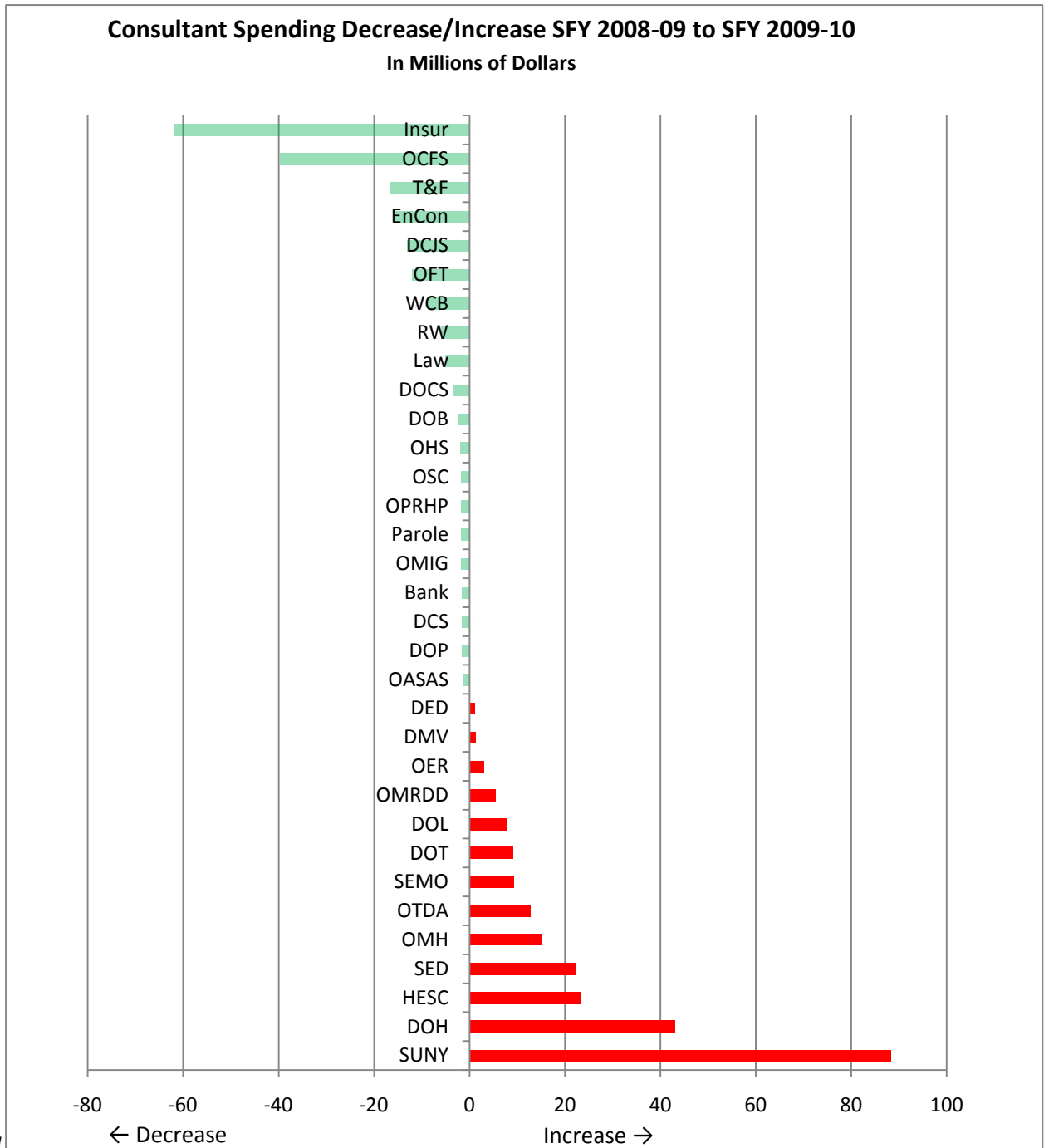
- 1. NY State consultant spending has increased by 30% over the last seven years, from \$2.263 billion to \$2.925 billion**, including a \$36 million increase last year. The largest increases are for Information Technology Services (up 53%, from \$308.8 million to \$473.2 million) and Capital Projects/Engineering Services (up 47%, from \$222 million to \$326.3 million). Spending in both of these categories increased by \$14 million last year. These are the categories where the state can save the most money by replacing consultants with state employees.
2. The state has a plan in place to reduce its reliance on information technology consultants, which should be accelerated, but has no plan to reduce its reliance on engineering consultants most of whom work for the Department of Transportation (DOT). **DOT has increased its spending on all consultants by \$79 million and capital project engineering consultants by \$58 million since SFY 2003, including a \$9 million overall increase in the last year.**
3. **DOT consultants failed to account for \$250 million of their expenditures in the filings required under the Contract Disclosure Law of 2006.** DOT reported consultant spending of \$376.5 million in SFY 2008-09 but DOT consultants only filed reports with the Office of the State Comptroller detailing \$126 million of that spending.
4. **The top ten DOT consultants failed to report over \$72 million in engineering related services in SFY 2008-09.** Major engineering firms that reported only a small percentage of their consultant engineering expenditures include PB Americas Inc., Bechtel Infrastructure, Greenman-Pedersen Inc., STV Inc., Lochner Engineering PC, TRC Engineers Inc. and TransSystems Architect and Engineer. There is evidence that the companies that have underreported their expenditures are failing to report their higher cost contracts.
5. **DOT pays consultant engineers up to 150 percent more than state employee engineers who do the same work.** For example, it paid consultant civil engineers an average salary of \$97.58 per hour and paid civil engineers who worked for Stantec Consulting Services \$124 per hour. DOT state employee engineers make \$49.87 per hour, including the cost of their benefits. More complete reporting by DOT engineering consultants is likely to show even a greater discrepancy between their costs and state employee costs.
6. **DOT can save up to \$84.3 million annually by replacing a large portion of their engineering consultants with state employees.** If DOT replaced just half of its engineering consultants, and brought the 90 percent of bridge inspections that can reasonably be done in-house by state

employee engineers, it would save \$55.5 million annually. These savings would occur in every region of the state (see pages 12 -13 for examples of regional consultant waste).

7. In light of the overwhelming evidence that DOT could save tens of millions of dollars a year by replacing engineering and other consultants with state employees, DOT management's intransience on this issue is puzzling. It is now commonplace for DOT Regional Directors, Chief Engineers, and other upper DOT management to find employment with engineering firms that receive significant consulting contracts from DOT. PEF has specific evidence of high level DOT managers who now work for consulting firms that have contracts with DOT.
8. **The Legislature and the Inspector General should investigate the post-state employment practices** of upper DOT management to determine whether they comply with the current ethics laws and whether or not current ethics laws provide adequate protection against conflicts of interest in DOT's consultant contracting process.
9. **The Contract Disclosure Law should be amended to require Form A and B information be filed electronically** and made available to the public as well as included in the annual "*Workforce Report*" developed by the Department of Civil Service so that public officials have sufficient information about both the state employee workforce and the state consultant workforce.
10. It is obvious that the Governor's current Executive Order requiring post-contract reviews and limited cost-benefit analyses of personal service contracts is insufficient to reduce wasteful state agency spending on consultants. **The Legislature should enact A9934/S7011 introduced by Assemblywoman John and Senator Klein that will require agencies to perform a cost-benefit analysis prior to contracting out for consultant services in excess of \$500,000 annually.**
11. The Legislature should require the Department of Transportation to reduce its dependence on consultants by 50 percent over the next three years and to bring at least 90 percent of its bridge inspection work in-house to be conducted by state employee engineers.

## Spending on Consultants Continued to Increase in SFY 2009-10

SFY 2009-10 ended on March 31, 2010 and the Office of State Comptroller (OSC) has just reported the state's overall spending on consultants. Unfortunately, despite one of the state's worst fiscal crises since the Great Depression and the Paterson administration's best efforts, **overall consultant spending increased by over \$36.6 million from its SFY 2008-09 levels and now totals \$2.925 billion.** Agencies with increases of more than \$1 million in consultant spending and agencies that have reduced consultant spending by more the \$1 million are identified below (see Appendix 1 Chart 1 for more detail).



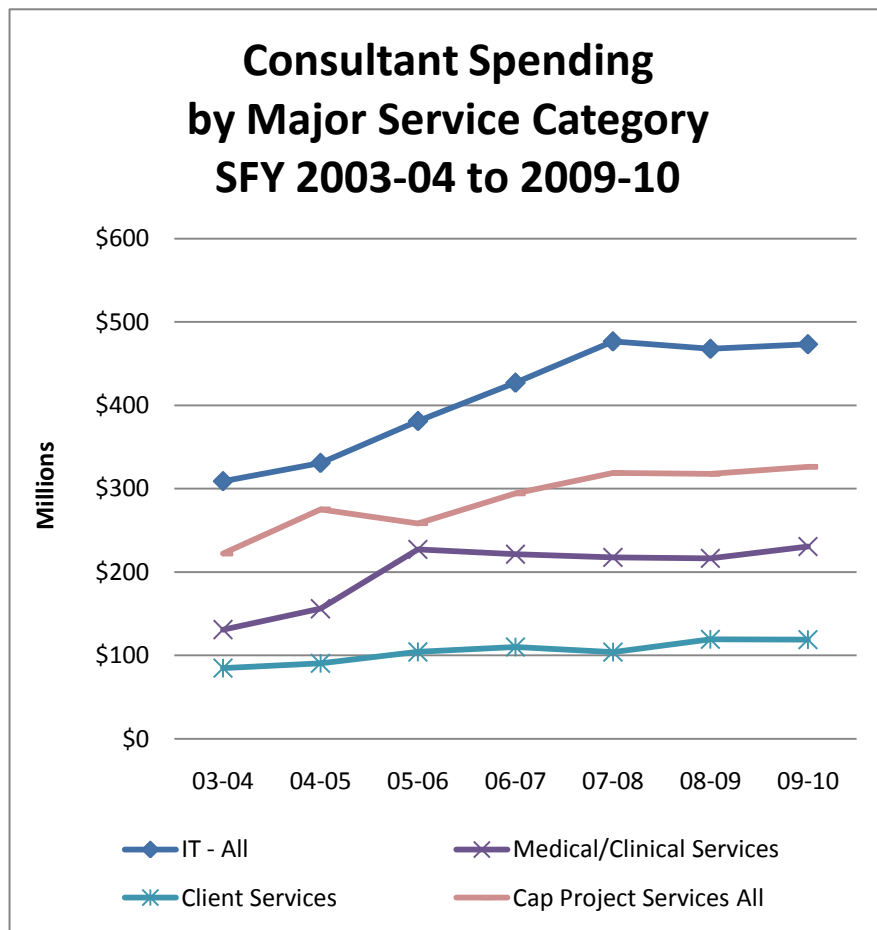
Graph 1

While more agencies reduced their consultant spending in SFY 2009-10 than the number of agencies that increased their consultant spending; only the Office of General Services (-\$47.8 million), Department of Taxation & Finance (-\$36.1 million), and the Department of Labor (-\$26.5 million) spend significantly less on consultants today than they did in SFY 2003-04 (see Appendix 1 Chart 1).

**Consultant Expenditures For Information Technology Services and Engineering Services Increased By 50% Since 2004 and Continued to Increase in SFY 2009-10**

Consultant spending over the last seven years has increased by 30% from \$2.263 billion to \$2.925 billion. The specific categories with the largest increases include Information Technology (up 53%, from \$308.8 million to \$473.2 million), Capital Projects/Engineering Services All (up 47%, from \$222 million to \$326.3 million), Medical/Clinical Services (up 76%, from \$130.9 million to \$230.5 million) and Client Services (up 40%, from \$84.6 million to \$118.8 million).

Graph 2



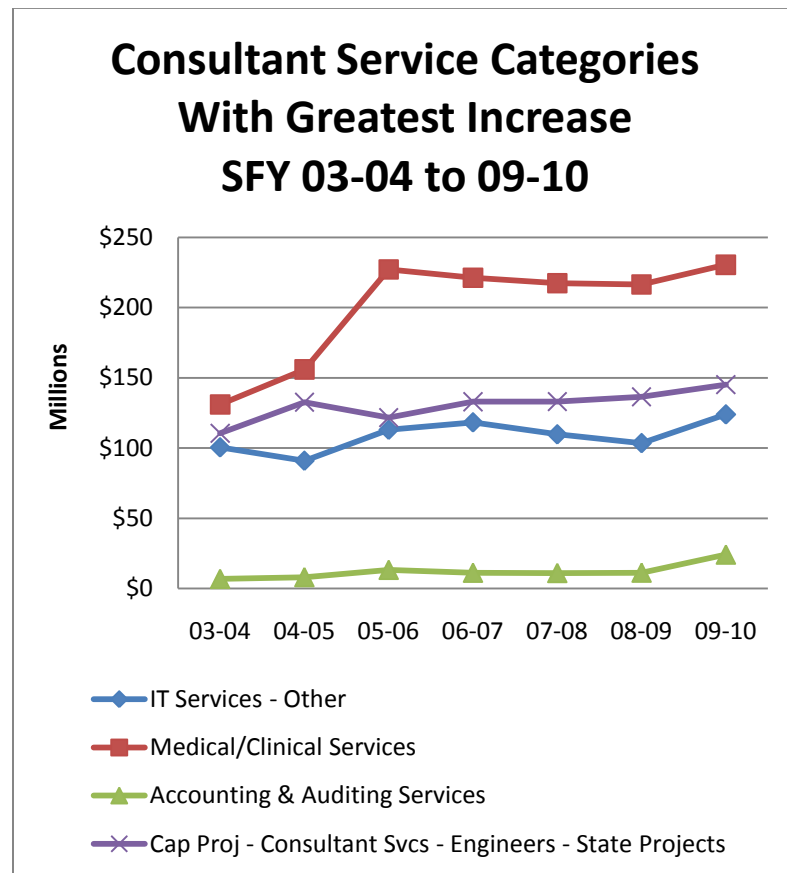
Spending for the “Other Services” category, which our prior research shows is often misclassified spending that should be included in the more specific categories, also increased by 17% over the last 7 years from \$1.431 billion to \$1.673 billion (see Appendix 1 Chart 2).

Last year, consultant spending increased from SFY 2008-09 levels in 10 service categories, including increases in Information Technology Services-All Categories (up \$5.5 million) and Capital Projects/Engineering Services-All Categories (up \$8.5 million). These two categories represent the two largest categories of consultant spending by the state. They are also the categories that PEF, and numerous independent studies, have found where the state can save the most money by replacing consultants with state employees.

The service categories with the largest increases were:

- Information Technology Services–Other, which comprises general information technology services, (+\$20.5 million);
- Medical/Clinical Services, (+\$14 million);
- Accounting and Auditing Services (+\$12.9 million); and
- Engineering Services State Projects (+8.7 million).

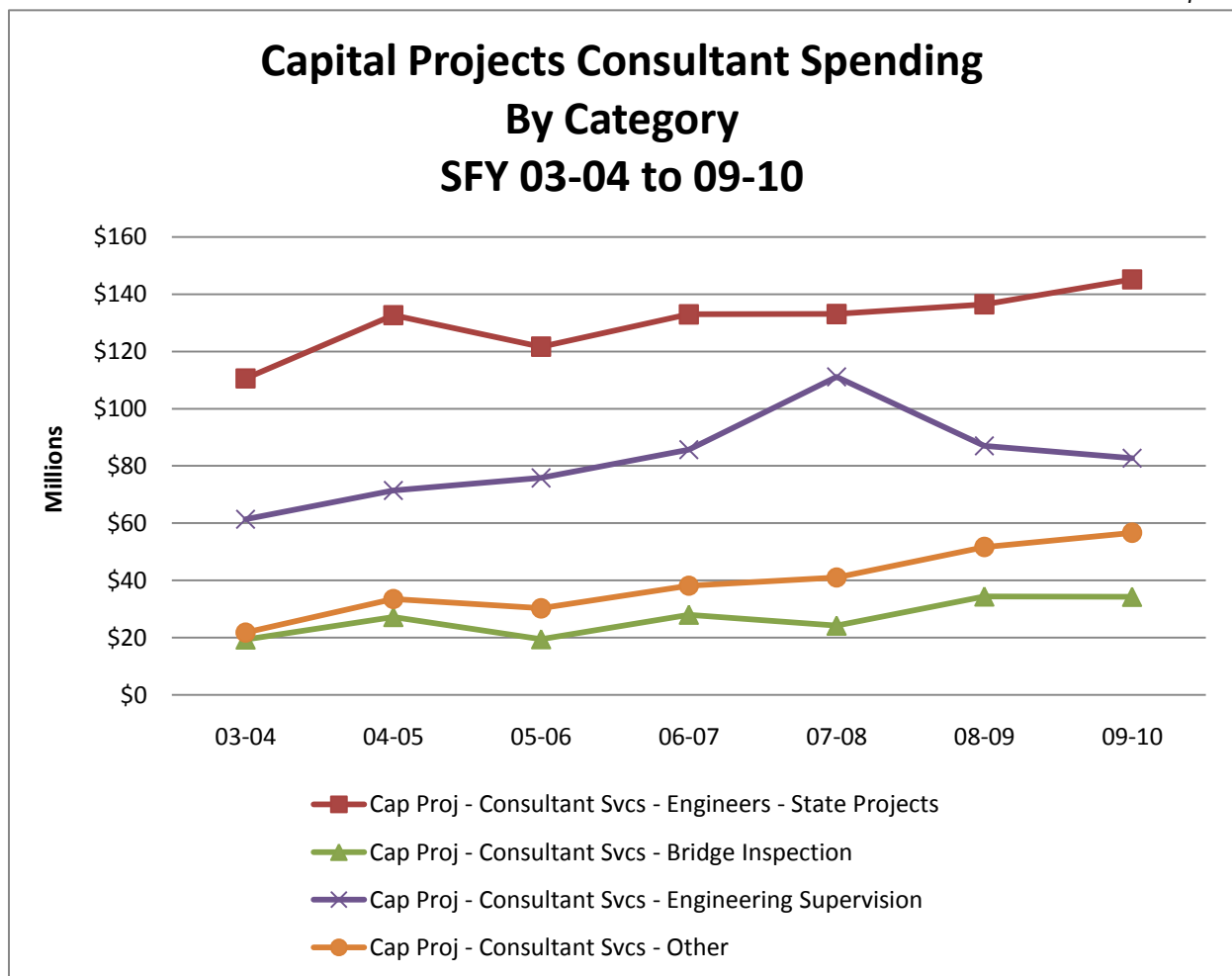
Graph 3



The two categories with the largest decreases in consultant spending were Information Technology Design/Development (-\$21 million) and Conference Training Services (-\$17.2 million). The decrease in the Information Technology Design/Development category is a significant positive development and is due to the Paterson Administration's strong efforts to reduce consultant spending on information technology. However, much more needs to be done as the state still spent over \$164 million more on information technology consultants in SFY 2009-10 than it did in SFY 2003-04, and \$5.5 million more than they spent in SFY 2008-09.

It is particularly disappointing to see no progress in reducing consultant spending on engineering services most of which occurs in the Department of Transportation. The state spent about \$104 million more on all capital project engineering and inspection services in SFY 2009-10 than it spent in SFY 2003-04. Most of the increase was in the Engineering Services-State projects (+\$35.2 million), Engineering Supervision (+\$21.3 million), and Bridge Inspection (+\$14.9 million) categories.

Graph 4



## **The Lack of a Comprehensive and Consistent Database on Consultant Spending Makes it Difficult to Identify Contract Disclosure Law Violators**

Unfortunately, more detailed data on consultant spending in SFY 2009-10 will not be available until the *Procurement Services Act Report* is released by OSC later in 2010. The rest of this report looks at the more detailed data available about consultant spending in SFY 2008-09 that allows for the identification of consultant companies who disregard the Contract Disclosure Law of 2006. The report focuses on the Department of Transportation and its failure to rein in consultant spending or to take any meaningful steps to reduce its reliance on costly consultants, even though consultants cost up to 150 percent more than state employees who do the same work.

In 2006, the state enacted the Contract Disclosure Law (Chapter 10 of the laws of 2006) in an effort to shine light on the state agency use of consultants that provide personal services. That law was intended to require all agencies hiring consultants to publicly disclose how many they hired, what titles they employed them in, and how much they were paid. One of the most important aspects of the Contract Disclosure Law of 2006 was the requirement that consultants who provide personal services for the state file what is known as a “Form B”. The “Form B” contains information related to the specific titles, actual hours worked, and amounts paid during the state fiscal year. This was an important development because it allowed the state to begin to collect information related to the number of consultants and their costs. This is the first real effort the state has made to capture the size and scope of its consultant use. Moreover, as the state wrestles with the current fiscal crisis, it is extremely important for decision makers to understand the costs associated with how the various services the state provides are delivered.

Unfortunately, a review of the most recent information made available under the Contract Disclosure Law and information obtained from the Office of the State Comptroller, show that consultant companies have only partially complied with the disclosure requirements. In order for the state to develop a complete picture of its workforce—both state employees and consultant employees—it needs as close to one hundred percent compliance as possible.

Our review of consultant compliance is focused primarily on Information Technology and Engineering contracts since these are areas where it is clear the state can achieve significant savings. There are three main databases that track consultant spending:

1. The Office of State Comptroller's (OSC) Contract Database, which contains all state contracts and includes expenditures by fiscal year and total to date (this database is updated continuously and is current);
2. The OSC CTL 470 report, which tracks all state expenditures by fiscal year including expenditures on consultant contracts. Unfortunately, these expenditures are not reported by contract number but are coded according to specific expenditure categories, including several consultant categories (this database is updated monthly and is current); and
3. The Procurement Services Act (PSA), which was used by PEF to create a database using all the "Form Bs" filed with OSC which are contained in the annual PSA reports. "Form Bs" are required to be filed by consultants for every personal service contract they have with the state. This data includes the fiscal year of the expenditure, the name of the consultant company, the titles of the consultants hired, how many hours they worked and how much they are paid (this database is updated annually and the most recent data is for SFY 2008-09).

Review of compliance was complicated by disparities in these state databases as well as disparities in the thoroughness and accuracy of consultant responses. For example, consultants indicated that particular titles, hours worked, and amounts paid were attributed to a specific contract when the OSC contract database indicated that no funds were expended year-to-date for that same contract. In other cases, contract numbers were not included on the "Form B", so it was not possible to actually link hours, titles, and costs to a specific contract. Nevertheless, **we have found that of the \$2.888 billion the state spent on consultants in SFY 2008-09, only \$579,765,543, or 20 percent, was reported to the Office of State Comptroller on "Form B's"**. New York State expended \$2.3 billion tax dollars on consultants for which little information is available regarding the services and costs to the taxpayers. Consultants working for the Department of Transportation routinely violate the contract disclosure law and DOT management takes no apparent action on these violations.

## **DOT’s Consultants Fail To Account for Over \$250 million of Expenditures**

The Department of Transportation (DOT) has increased its spending on consultants by more than 25% since SFY 2003-04, from \$306.6 million to \$385.6 million in SFY 2009-10. This includes an over \$9 million increase in the last year. DOT spending on capital project engineering consultants has increased by \$58.2 million since SFY 2003 and by \$5.78 million in the last year (see Chart 2).

Based on information provided by the consultants on the “Form Bs” filed with OSC, the Department of Transportation (DOT) had the equivalent of 844 consultant FTEs on its payroll in the SFY 2008-09 at a cost to taxpayers of at least \$126 million. Each were paid on average \$76.79 an hour, or \$150,000 a year. Unfortunately, this appears to understate the true number of DOT consultants as consultant engineering companies have not fully complied with the requirements of the Contract Disclosure Law.

For example, according to the OSC *CTL 470 Report*, the Department of Transportation ranked second in consultant expenditures with \$376.5 million in SFY 2008-09, an increase of \$48 million or nearly 15 percent from its SFY 2007-08 spending. ***Based on this data and the PSA data, we estimate that DOT paid the full-time equivalent of 2,489 consultants; the state has no data on the cost of about 67 percent of these consultants.***

The vast majority of these expenditures were for engineering related contracts for project design, construction inspection, or bridge inspection. These engineering related expenditures were approximately \$222 million in SFY 2008-09. However, the consultant engineers only filed “Form Bs” for \$102 million, or just 46 percent of the total. ***More than half of DOT engineering expenditures in SFY 2009-09 are not accounted for in the reports consultant companies are required to file under the Contract Disclosure law.***

*Chart 1*

**DOT CONSULTANT EXPENDITURES SFY 2008-09**

<b>PSA Reported Expenditures</b>	<b>CTL 470 Expenditures</b>	<b>% Unreported</b>	<b>PSA Reported FTE Consultants</b>	<b>CTL 470 Estimated FTE Consultants</b>
\$126,000,000	\$376,500,000	67%	844	2,489

**Chart 2 - DOT Has Increased Its Spending By More Than 25 Percent On Consultants**

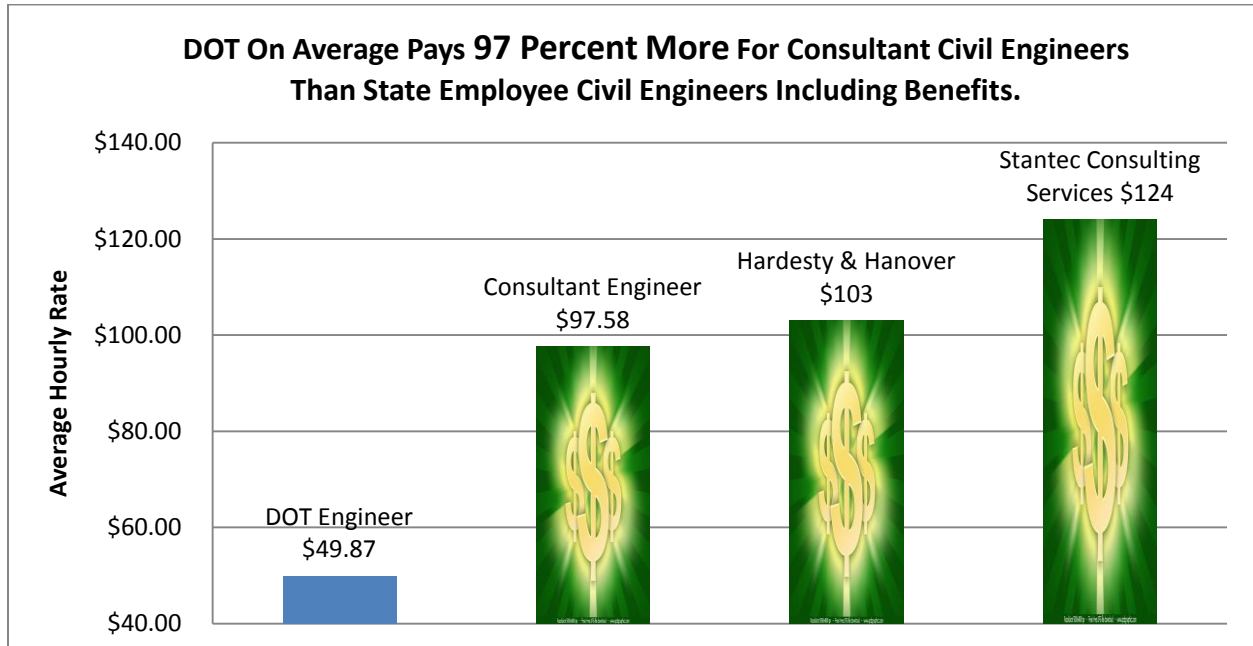
CatDescription	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	2004-10 Diff.	2009-10 Diff.
IT Consultant - Design/Develop	12,309,259	13,903,034	16,324,720	13,211,805	13,473,389	14,683,866	15,630,632	3,321,373	946,767
IT Software Installation/Integration	1,692	142	21,822	145,594	491,746	15,109	29,027	27,335	13,918
IT Software Maintenance	13,081	300	291	40,000	54,395	2,973,237	7,708,874	7,695,793	4,735,638
IT Hardware Maintenance	0	0	1,749	0	0	0	4,358	4,358	4,358
IT Services - Other	116,910	0	0	23,483	128,910	513,130	29,769	(87,141)	(483,361)
Accounting & Auditing Services	158,384	170,056	119,028	290,527	239,332	82,882	79	(158,305)	(82,803)
Legal Services	36,864	46,465	36,392	27,518	147,197	25,185	54,049	17,186	28,865
Medical/Clinical Services	298,900	422,672	383,216	368,754	432,171	423,222	394,986	96,085	(28,236)
Client Services	6,308,554	6,727,597	7,108,707	7,730,976	8,784,028	11,037,693	9,291,101	2,982,547	(1,746,592)
Conferences/Training Services	1,185,304	1,413,467	1,078,345	2,082,399	2,006,904	1,295,503	510,233	(675,071)	(785,269)
Other Services	80,288,299	60,270,503	68,696,205	54,065,139	67,882,944	87,148,547	87,836,386	7,548,087	687,839
CP - Cnsltnt Svcs - Architects - State Projects	748,593	90,397	29,927	4,114	0	0	0	(748,593)	0
CP - Cnsltnt Svcs - Engineers - State Projects	98,182,373	107,609,330	94,183,670	105,707,684	99,245,480	103,507,231	109,330,279	11,147,906	5,823,047
CP - Cnsltnt Svcs - Bridge Inspection	19,329,686	27,203,980	19,428,631	28,012,711	24,185,703	34,381,740	34,271,111	14,941,424	(110,629)
CP - Cnsltnt Svcs - Engineering Supervision	61,349,952	71,278,729	73,483,558	74,092,370	73,000,677	74,537,325	75,368,191	14,018,239	830,866
CP - Cnsltnt Svcs - Material Testing	7,415,997	7,562,475	6,517,620	7,691,139	6,825,471	5,969,192	4,899,607	(2,516,390)	(1,069,585)
CP - Cnsltnt Svcs - Other	18,613,527	30,783,978	27,522,466	32,291,477	29,971,395	39,559,266	40,259,492	21,645,965	700,226
CP - Cnsltnt Svcs - Other Loc & Pub Auth Proj	271,749	505,000	518,376	35,000	1,378,610	388,955	0	(271,749)	(388,955)
	306,629,124	327,988,124	315,454,723	325,820,689	328,248,353	376,542,082	385,618,174	78,989,050	9,076,092

CatDescription	3/31/2004	3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009	3/31/2010	2004-10 Diff.	2009-10 Diff.
IT All Categories	12,440,942	13,903,475	16,348,582	13,420,882	14,148,441	18,185,341	23,402,661	10,961,718	5,217,319
CP Cnslt Svcs - Engineering (Bridge Insp)	178,862,011	206,092,039	187,095,859	207,812,765	196,431,860	212,426,296	218,969,581	40,107,570	6,543,284
CP Cnslt Svcs - All Categories	205,911,877	245,033,888	221,684,249	247,834,495	234,607,336	258,343,708	264,128,679	58,216,802	5,784,971

## DOT Pays Consultants Up To 150 Percent More Than State Employees Who Do the Same Work

A review of the “Form Bs” submitted by the consultant companies that do business with DOT provides an opportunity for closer analysis of the types of consulting work that are being performed and the amounts that are being charged for these services.

DOT’s consultants use titles that cross the spectrum of professional titles at the DOT. A closer examination of the data indicates that Civil Engineer was the most frequently used under these consultant contracts. The average rate paid to consultant civil engineers was \$97.58 per hour, or \$190,281 on an annual basis. In contrast, the civil engineers employed by DOT are paid an average of \$49.87 per hour, or \$97,262 annually (including benefits). According to the “Form B” data, (as reported), the leading employers of civil engineers were Hardesty & Hanover and Stantec Consulting Services, who billed for over 85,000 hours of civil engineering work at an average rate of \$103 per hour and over 63,000 hours at an average rate of \$124 per hour respectively. **Based on reported PSA data, DOT pays up to 150 percent more for consultant civil engineers than state employee civil engineers; on average, they pay consultant civil engineers 97 percent more.**



The second most populous consultant title at DOT is the engineering technician title. Consultants in this title cost an average hourly rate of \$54.70, or \$106,000 annually. In

contrast, the engineering technicians employed by DOT receive an average hourly rate of \$32.37 per hour, or \$63,000 annually (including benefits). According to the “Form B” data, the leading employers of engineering technicians were Gibbons, Esposito, & Boyce, billing for almost 42,000 hours at an average rate of \$31.32 per hour and Lockwood, Kessler, & Bartlett with almost 24,000 hours billed at \$75 per hour. **Based on reported PSA data, DOT pays up to 131 percent more for consultant engineering technicians than state employee engineering technicians; on average, they pay consultant engineering technicians 69 percent more.**

The third most populous consultant title at DOT is the Construction Inspector title. Consultants in this title received an average hourly rate of \$70.16, or \$136,812 annually. In contrast, the DOT titles involved in construction inspection employed by DOT received an average hourly rate of \$42.28 per hour, or \$82,439 annually (including benefits). **Based on reported PSA data, on average DOT pays consultant construction inspectors 66 percent more than state employee construction inspectors.** For example, Tectonic Engineering & Surveying reported employing approximately 19 FTEs at an average hourly rate of \$71.12. Another consultant, Architects and Land Surveyors PC, reported one FTE billed at **\$174 per hour or \$319,000** for the year.

The DOT habitually contracts out for regular and routine services that could be performed for less by state employees. For instance, pursuant to federal regulations, DOT is required to inspect all bridges in the state every two years. Bridge inspection is routine work that is performed on regular schedules and, despite these facts, it is still frequently contracted out.

## **DOT Wastes Millions on Consultants in Every Region of the State**

Our examination of DOT consultant engineering contracts shows that DOT wastes millions of dollars in every region of the state. Below are just a few examples of expenditures for bridge inspections or design services in the last fiscal year 2008-09:

- **Capital District** – Civil Engineering bridge inspection work billed at \$112 per hour for a total of \$1.2 million. We estimate that DOT engineers could have done the work for \$536,000 for a savings of almost **\$664,000**. (Contract #D030511 for bi-annual and interim bridge inspection in Capital District).
- **Mohawk Valley** – Civil Engineering bridge inspection work billed at \$86.02 per hour for a total of \$799,000. We estimate that DOT engineers could have done the work for \$463,000 for a savings over **\$336,000**. (Contract #D030512 for bi-annual and interim bridge inspection in the Mohawk Valley region).
- **Central NY** – Civil Engineering for design services work billed at \$97.62 per hour for a total of \$304,000. We estimate that DOT engineers could have done the work for \$155,000 for a savings of nearly **\$149,000**. (Contract #D025401 design work related to rehab of three bridges and I-81 in central NY).
- **Genesee Valley** – Civil Engineering bridge inspection work billed at \$103 per hour for a total of \$513,000. We estimate that DOT engineers could have done the work for \$246,000 for a savings of **\$267,000**. (Contract #D030514 for bridge inventory and biannual bridge inspection in the Genesee Valley).
- **Western NY** – Civil Engineering for design services work billed at \$95.03 per hour for a total of \$302,000. We estimate that DOT engineers could have done the work for \$158,000 for a savings of nearly **\$144,000**. (Contract #D025601 for design work including rehab of bridge ramp for NY RT 33).
- **Central Southern Tier** – Civil Engineering bridge inspection work billed at \$90.77 per hour for a total of almost \$300,000. We estimate that DOT engineers could have done the work for \$166,000 for a savings of **\$134,000**. (Contract #D030516 for biannual bridge inspections in the Central Southern Tier).

- **North Country** – Civil Engineering design services billed at \$98.06 per hour for a total of \$230,000. We estimate that DOT engineers could have done the work for \$117,000 for a savings of **\$113,000**. (Contract #D015454 for design work in North Country).
- **Hudson Valley** – Civil Engineering bridge inspection work billed at \$97.16 per hour for a total of \$1.33 million. We estimate that DOT engineers could have done the work for \$724,000 for a savings of **\$606,000**. (Contract #D030517 for bi-annual and interim bridge inspection in the Hudson Valley).
- **Southern Tier** – Civil Engineering bridge inspection work billed at \$92.17 per hour for a total of \$1.7 million. We estimate that DOT engineers could have done the work for \$870,000 for a savings of **\$830,000**. (Contract #D030518 for bridge inspections in Southern Tier).
- **Long Island** – Civil Engineering bridge inspection work billed at \$130.50 per hour for a total of \$613,000. We estimate that DOT engineers could have done the work for \$234,000 for a savings of **\$379,000**. (Contract #D015612 for bridge inspections in Long Island region).
- **New York City** – Civil Engineering bridge inspection work billed at \$100 per hour for a total of \$3.4 million. We estimate that DOT engineers could have done the work for \$1.7 million for a savings of **\$1.7 million**. (Contract #D015608 & D015610 for Bi-annual and interim bridge inspection in the Bronx and Queens).

Using just this small sample, the state could have had an **additional \$5.3 million** to use on road and bridge maintenance and repair if DOT state employee engineers were used rather than costly consultants.

## **The State Can Save Up To \$84.3 million Annually in DOT Alone by Replacing Engineering Consultants with State Employee Engineers**

Over the last twenty years numerous studies and audits, including two Office of State Comptroller (OSC) audits and a DOT sponsored study performed by KPMG, have found that the state could save millions of dollars annually by replacing consultant engineers with state employee engineers. The KPMG study found that consultants are more expensive to use than state employees on 85 percent of the design and construction inspection projects and are 75 percent more costly than state employees for design projects and 50 percent more costly for construction inspection projects.

Despite their lower cost, the state has significantly reduced its number of state employee engineers since 1994 when it had 4,301 DOT state employees in engineering titles. Today, DOT has 3,228 state employees in engineering titles or 1,073 less than they did in 1994. In 1990, after the Comptroller released his first audit finding consultant waste in DOT, Commissioner Egan agreed to hire 600 additional state employee engineers for a total DOT state employee engineering workforce of 4,600. This agreement was never completely implemented by DOT.

**Chart 2 shows that DOT can save at least \$84.3 million annually by replacing a large portion of their engineering consultants with State employees.** We base this estimate on the engineering consultant expenditures by DOT in 2008-09 (as reported by OSC in the *CTL-470 Report*), the average current DOT engineer hourly salary including benefits (\$50.11) and the estimated average DOT consultant hourly salary for SFY 2008-09 (\$82.09). The consultant hourly salary was derived by averaging DOT's SFY 2008-09 consultant hourly salaries as reported on "Form Bs". This estimate is consistent with KPMG's finding that consultants cost between 50 percent and 75 percent more than comparable state employee engineers, which would range between \$75.16 a hour and \$87.69 an hour.

We estimate that it would take 1,351 new state employee engineers to assume the specified percentage of engineering consultant work<sup>1</sup>. This would bring DOT's engineering workforce to the level DOT agreed to in 1990. We cannot replace 90 percent of DOT engineering consultants immediately due to the long time it would take to recruit and train new employees but we can begin to reach that goal **by replacing 90 percent of all bridge inspection consultants immediately, which would save at least \$12 million a year** (see Chart 3).

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<sup>1</sup> This estimate is based on the total new hours of consultant work that would be assumed by state employees and dividing by 1,950 which is the number of hours in a work year for one full-time state employee

Chart 3

**DOT Can Save \$84.3 million Annually If State Employees Replaced 90 Percent of Engineering Consultants**

Capital Projects - Consultant Services Category Description	% Of Work To Be Done By State Emp.	Actual Consultant Cost 2008-09	Estimated Consultant Hours 2008-09	Remaining Consultant Hours	Remaining Consultant Cost	State Employee Hours	State Cost	Estimated Number of State Employee FTEs	DOT Savings
Engineers - State Projects	90%	\$103,507,231	1,260,899	126,090	\$10,350,723	1,134,809	\$56,865,302	582.0	\$36,291,206
Bridge Inspection	90%	\$34,381,740	418,830	41,883	\$3,438,174	376,947	\$18,888,806	193.3	\$12,054,760
Engineering Supervision	90%	\$74,537,325	907,995	90,800	\$7,453,733	817,196	\$40,949,675	419.1	\$26,133,918
Material Testing	90%	\$5,969,192	72,715	7,272	\$596,919	65,444	\$3,279,383	33.6	\$2,092,889
Other	50%	\$39,559,266	481,901	240,951	\$19,779,633	240,951	\$12,074,033	123.6	\$7,705,599
<b>Total</b>		<b>\$257,954,753</b>	<b>3,142,341</b>	<b>506,995</b>	<b>\$41,619,182</b>	<b>2,635,346</b>	<b>\$132,057,199</b>	<b>1,351.3</b>	<b>\$84,278,372</b>

Chart 4

**DOT Can Save \$55.6 Million Annually if State Employees Replaced 50 Percent of Engineering Consultants; Except Bridge Inspection (90 Percent of Work to be Done by State Employees)**

Capital Projects - Consultant Services Category Description	% Of Work To Be Done By State Emp.	Actual Consultant Cost 2008-09	Estimated Consultant Hours 2008-09	Remaining Consultant Hours	Remaining Consultant Cost	State Employee Hours	State Cost	Estimated Number of State Employee FTEs	DOT Savings
Engineers - State Projects	50%	\$103,507,231	1,260,899	630,450	\$51,753,616	630,450	\$31,591,834	323.3	\$20,161,781
Bridge Inspection	90%	\$34,381,740	418,830	41,883	\$3,438,174	376,947	\$18,888,806	193.3	\$12,054,760
Engineering Supervision	50%	\$74,537,325	907,995	453,998	\$37,268,663	453,998	\$22,749,819	232.8	\$14,518,843
Material Testing	50%	\$5,969,192	72,715	36,358	\$2,984,596	36,358	\$1,821,880	18.6	\$1,162,716
Other	50%	\$39,559,266	481,901	240,951	\$19,779,633	240,951	\$12,074,033	123.6	\$7,705,599
<b>Total</b>		<b>\$257,954,753</b>	<b>3,142,341</b>	<b>1,403,638</b>	<b>\$115,224,681</b>	<b>1,738,702</b>	<b>\$87,126,373</b>	<b>891.6</b>	<b>\$55,603,700</b>

We believe that DOT can reasonably replace 90 percent of its engineering consultants with state employee engineers. Engineering is not the same rapidly changing field as information technology where new expertise is developed on a continuous basis. Engineers in DOT can do almost all of the work currently done by consultants. DOT management has claimed to the Governor's Task Force on Personal Services Contracting that they continue to contract out engineering work because, "If consultants are starved for work... they will lose capabilities and no consultant market will exist when it is needed." This logic is patently false, as engineering consultants continue to perform substantially all of the design and inspection work for local government and as such maintain their capabilities. Even if you accepted this rationale (which PEF does not), this cannot possibly justify DOT's use of consultants to do 60 percent of its engineering work.

**However, Chart 4 shows that DOT could still save \$55.5 million a year if it had state employees assume only half of the work currently done by engineering consultants, excluding bridge inspections, which are routine and occur on a regular basis.**

Even more savings could be found if all professions at DOT were moved in house, as DOT spends more on consultants than any other state agency except SUNY.

These savings estimates are consistent with the estimates that were recently released by the New York State Senate Task Force on Government Efficiency chaired by Senator Klein in their recent investigative report on the Department of Transportation. That report found that if DOT only realized 30 percent of the savings PEF believes could be realized by having state employees do 90 percent of the various engineering work currently done by consultants that DOT could save \$24.1 million in engineering and engineering supervision costs, \$10 million in construction inspection costs, and \$3.4 million in bridge inspector costs.

### **Major Engineering Companies Fail to Comply with the Contract Disclosure Law**

We can only estimate a partial picture of the possible savings the state can realize by replacing engineering consultants with state employees, as many engineering consultants have failed to comply or fully comply with the Contract Disclosure Law. A review of the "Form Bs" that were filed and the Comptroller's contract database indicates that **approximately 34 consultants received approximately \$37 million for engineering related work yet appear to have failed to file the required "Form B"**. It is important to note that this review is inexact as database and reporting disparities make it difficult to reconcile some of the data. For example, some of the "year-to-date" expended funds may be for other than personal services. In addition, some

personal services may have been accounted for while the consultant was a subcontractor but the data was filed under the primary contractor. Nevertheless, it is clear that a substantial amount of consultant personal services has yet been accounted for as required by the Contract Disclosure Law. The below table identifies the top five consultants who have not filed any “Form B” and therefore fail to account for how they spent \$24.5 million in engineering expenditures in violation of the Contract Disclosure law.

<b>Chart 5</b>				
<b>Top 5 NYS DOT Consultants That Failed To Report Any Of Their Expenditures For Engineering-Related Services In SFY 2008-09</b>				
<b>DOT Engineering Consultants</b>	<b>Sum of Expended Amount YTD of DOT Engineering Related Contracts</b>	<b>Sum of Payable Amount (as reported on Form B)</b>	<b>Value of Unreported Expenditures</b>	<b>Percent in Compliance</b>
BECHTEL INFRASTRUCTURE	\$14,050,908	\$0	\$14,050,908	0.00%
AMMAN & WHITNEY CONSULTANT	\$3,076,505	\$0	\$3,076,505	0.00%
EARTH TECH NORTHEAST INC	\$2,837,460	\$0	\$2,837,460	0.00%
COLLINS ENGINEERING PC	\$2,314,985	\$0	\$2,314,985	0.00%
URS GOODKIND JV	\$2,174,058	\$0	\$2,174,058	0.00%
	<b>\$24,453,916</b>		<b>\$24,453,916</b>	
<p><b>Sources:</b> New York State Office of the State Comptroller Contract Database, SFY 2008-09; &amp; Contractor's SFY 2008-09 Annual Employment Reports (Form B).</p> <p><b>Definition:</b> Engineering-related services include all DOT contracts that were categorized as Engineer (CG); Engineer-1988 DOT Bond Act (CGBB); Construction Manager (CH); Construction Inspection (CP); Quick Engineer (QCG); Quick Construction Manager (QCH); and Quick Construction Inspection (QCP) in the NYS Office of the State Comptroller Contract Database, SFY 2008-09. In some cases contracts were categorized incorrectly, but were clearly engineering (i.e. as research &amp; development etc.) and when possible those contracts were included in the consultants' data.</p> <p><b>Abbreviations:</b> (1) YTD: Year to Date; (2) DOT: NYS Department of Transportation; (3) SFY: State Fiscal Year.</p>				

In addition, other consultants appear to have substantially under-reported the scope of their services. For example, Parsons Brinckerhoff Quade & Douglas Inc. (aka: PB Americas, Parsons Transportation Group) only filed “Form Bs” for \$338,377 worth of consulting services and neglected to provide information on at least \$26.41 million worth of services for construction inspection, design services, and engineering studies. Based on the small number of “Form Bs” filed for their contracts, PBQ employed mostly engineers at an average rate of \$86.61 per hour. Based on this small disclosure, we can estimate that PBQ employed an estimated 158 FTEs at an annual rate of \$168,000 per year.

Another engineering consultant, Bechtel Infrastructure received over \$14 million for construction monitoring and reporting services for DOT, yet filed no “Form Bs”. Using the average rate charged (\$74 per hour) for all consultants employed by DOT, we estimate that Bechtel employed approximately 97 FTEs for which titles and rates were not filed. Other engineering consultants such as Greenman-Pederson Inc (\$7.66 million unreported), STV Incorporated (\$6.57 million unreported), and Lochner Engineering (\$4.27 million unreported) all had substantial contract expenditures for construction inspection and design services for which they did not provide Form Bs.

The “top ten” consultants in terms of under-reporting received over \$94.5 million in tax dollars **for engineering and design work, yet filed the required “Form Bs” for only \$12.6 million leaving over \$72 million unreported.** Leaving out Transystems Architects and Engineer rates (which we believe are not accurately reported), the engineering consultants that have failed to itemize how they spent most of the money they received from the State for their services, charged some of the higher hourly rates for engineering services for the expenditures they did itemize. We believe this is an attempt to conceal their even higher hourly rates.

For example, PB Americas filed a “Form B” as a subconsultant for a JHK Engineering PC contract (D008599) and while that information is counted toward JHK’s contract total, PB Americas received \$402,761 with an hourly rate of \$111.88 for that contract - a much higher rate than what is shown for the one percent of expenditures that PB Americas filed a “Form B” for as a primary contractor. DOT’s failure to make these consultant engineers comply with the Contract Disclosure Law insures that as little information as possible is available regarding the highest engineering services consulting rates that would allow the state make an informed decision on the use of engineering consultants and costs to the state.

**Chart 6**  
**The Top 10 NYS DOT Consultants that Failed to Report Over \$72 Million Dollars**  
**For Engineering-Related Services in SFY 2008-09**

DOT Engineering Consultants	Sum of Expended Amount YTD of DOT Engineering-Related Contracts	Sum of Payable Amount (as reported on Form B)	Value of Unreported Expenditures	Percent in Compliance	Sum of Hours Worked	Hourly Rate
PB AMERICAS INC**	\$26,758,236	\$338,377	\$26,419,859	1%	3,907	\$86.61
BECHTEL INFRASTRUCTURE	\$14,050,908	\$0	\$14,050,908	0%		
GREENMAN-PEDERSEN, INC. (2)	\$7,667,001	\$421	\$7,666,580	0.01%	6	\$70.17
AECOM USA INC (1)	\$8,452,205	\$1,246,475	\$7,205,730	15%	22,057	\$56.51
STV INCORPORATED (1)	\$6,579,892	\$199,888	\$6,380,004	3%	1,831	\$109.17
JACOBS CIVIL CONSULTANTS INC (1)	\$9,812,902	\$4,217,730	\$5,595,172	43%	43,861	\$96.16
LOCHNER ENGINEERING PC (1)	\$4,270,156	\$7,436	\$4,262,720	0.2%	84	\$88.52
HAKS ENGINEERS ARCHITECTS AND LAND SURVEYORS PC	\$10,052,290	\$6,325,388	\$3,726,902	63%	71,069	\$89.00
TRC ENGINEERS INC (1) (2)	\$3,645,445	\$268,113	\$3,377,332	7%	2,935	\$91.35
TRANSYSTEMS ARCHITECT & ENGINEER (1)	\$3,305,606	\$70,336	\$3,235,270	2%	1,849	\$38.04
	<b>\$94,594,641</b>	<b>\$12,674,164</b>	<b>\$81,920,477</b>	<b>13%</b>		

**Sources:** New York State Office of the State Comptroller Contract Database, SFY 2008-09; & Contractor's SFY 2008-09 Annual Employment Reports (Form B).

**Notes:**

The following columns are based on data reported on Form B: Sum of Payable Amount; Sum of Hours Worked; and Hourly Rate.

(1) Form B data includes data that was filed by the subconsultant for the consultant's contract.

(2) Consultant data includes contracts that may have been categorized incorrectly but appear to be engineering related.

**Definition:** Engineering-related services include all DOT contracts that were categorized as Engineer (CG); Engineer-1988 DOT Bond Act (CGBB); Construction Manager (CH); Construction Inspection (CP); Quick Engineer (QCG); Quick Construction Manager (QCH); and Quick Construction Inspection (QCP) in the NYS Office of the State Comptroller Contract Database, SFY 2008-09. In some cases contracts were categorized incorrectly, but were clearly engineering (i.e. as research & development etc.) and when possible those contracts were included in the consultants' data.

\*\* PB AMERICAS INC includes contracts for PB Americas; Parsons Brinckerhoff; and Parsons Transportation. **PB Americas filed a Form B as a subconsultant for a JHK Engineering PC contract (D008599) and while that information is counted toward JHK's contract total, PB Americas received \$402,761 with an hourly rate of \$111.88 for that contract - a much higher rate than what is shown for the 1% of expenditures that it Filed a Form B for as a primary contractor.**

## **Conclusion: The Legislature and Inspector General Should Investigate Possible Conflicts of interest in DOT Consultant Contracting Process**

While the Paterson administration has made progress to control IT consulting expenditures with the enactment of Chapter 500 of the Laws of 2009, it is clear that much more needs to be done, particularly as relates to engineering consultant use in DOT. In light of the overwhelming evidence that DOT could save tens of millions of dollars a year by replacing engineering and other consultants with state employees, DOT management's intransience on this issue is puzzling. PEF members in DOT have told us that it is now commonplace for DOT Regional Directors, Chief Engineers, and other upper DOT management to find employment with engineering firms that receive significant consulting contracts from DOT. We believe that this situation may explain why DOT has made no progress in reducing its reliance on consultant engineers.

We are asking the Legislature and the Inspector General to investigate the post-state employment practices of upper DOT management to determine whether they comply with the current ethics laws and whether or not current ethics laws provide adequate protection against conflict of interests in DOT's consultant contracting process.

In order for NYS to make informed decisions, agencies must ensure that consultants fully comply with the requirements of the Contract Disclosure Law (Chapter 10 of the laws of 2006). Every year the NYS Department of Civil Service publishes a "*Workforce Report*" which carefully accounts for all state employees by agency and title. Yet, this comprehensive review provides no information related to the number of consultants employed by each agency, the titles of employment, and costs associated. The Contract Disclosure Law should be amended to require "Form A and B" information be filed electronically and made available to the public as well as included in the annual "*Workforce Report*" so that public officials have sufficient information on which to base their decisions.

When consultants fail to file a "Form B" for their expenditures, it is very difficult to determine whether or not the state could save scarce tax dollars through in-sourcing. Nevertheless, based on what has been uncovered thus far, it is clear the state could save hundreds of millions of dollars by performing cost benefit analysis prior to contracting out for consultant services. Currently, Assemblywoman John and Senator Klein have introduced legislation (A9934/S7011) that will require agencies to perform a cost benefit analysis prior to contracting out for consultant services in excess of \$500,000 annually.

Given New York State's current fiscal crisis, it can no longer afford to ignore the costs associated with contracting out for government services. The time has come to pass cost-benefit legislation.

## Appendix 1

**Chart 1 Consultant Expenditures Increased By \$36 million In SFY 2009-10**

Agy	3/31/2004	3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009	3/31/2010	2009-2010 Diff.
SUNY	\$683,446,322.24	\$773,966,993.61	\$772,403,921.66	\$842,936,226.08	\$840,910,605.07	\$856,985,342.13	\$945,305,828.12	\$88,320,485.99
DOH	\$218,135,164.91	\$178,499,100.58	\$177,382,651.76	\$272,207,753.48	\$192,044,348.76	\$248,353,497.24	\$291,420,699.33	\$43,067,202.09
Hesc	\$24,159,201.33	\$24,897,504.36	\$30,819,619.95	\$39,610,992.35	\$38,306,638.44	\$29,631,069.15	\$52,797,099.61	\$23,166,030.46
Educ	\$51,763,628.77	\$57,166,385.52	\$78,081,811.86	\$69,079,549.41	\$74,343,165.70	\$63,090,748.22	\$85,268,057.54	\$22,177,309.32
OMH	\$35,500,677.31	\$30,444,183.21	\$47,900,945.47	\$53,705,986.30	\$61,911,488.37	\$65,384,182.32	\$80,537,812.72	\$15,153,630.40
OTDA	\$108,656,784.46	\$111,045,968.60	\$122,453,939.89	\$118,629,591.18	\$122,872,843.09	\$126,224,690.69	\$139,058,265.70	\$12,833,575.01
SEMO	\$184,924.28	\$820,131.46	\$319,698.70	\$5,950,398.99	\$18,938,128.13	\$2,898,826.40	\$12,294,357.92	\$9,395,531.52
DOT	\$306,629,124.17	\$327,988,123.70	\$315,454,723.29	\$325,820,688.85	\$328,248,352.88	\$376,542,081.93	\$385,618,173.77	\$9,076,091.84
DOL	\$86,932,272.65	\$76,750,146.19	\$79,902,710.42	\$69,032,748.11	\$51,442,920.80	\$52,666,692.54	\$60,400,410.67	\$7,733,718.13
OMRDD	\$59,612,036.04	\$48,394,014.07	\$65,729,534.28	\$89,959,636.86	\$69,172,038.07	\$76,830,650.28	\$82,308,024.17	\$5,477,373.89
OER	\$8,419,335.70	\$9,570,023.34	\$16,329,208.34	\$20,015,509.01	\$8,532,502.48	\$17,352,963.39	\$20,447,635.15	\$3,094,671.76
DMV	\$8,856,451.47	\$15,399,313.92	\$15,406,120.57	\$16,151,530.39	\$18,255,257.65	\$19,026,097.27	\$20,359,423.54	\$1,333,326.27
DED	\$5,433,030.02	\$4,891,516.94	\$4,857,107.68	\$4,872,863.94	\$8,293,213.67	\$12,095,678.95	\$13,178,263.08	\$1,082,584.13
OGS	\$73,122,581.40	\$29,666,250.84	\$28,392,328.08	\$28,301,191.26	\$26,633,548.13	\$24,937,109.88	\$25,337,486.13	\$400,376.25
Elect	\$69,919.47	\$181,166.42	\$737,249.89	\$4,272,224.26	\$8,476,277.14	\$7,638,391.73	\$8,003,233.51	\$364,841.78
CCF	\$317,959.77	\$28,076.61	\$4,514.20	\$40,160.35				\$0.00
OAD	\$265,034.03	\$261,068.90	\$478.35					\$0.00
RPCI	\$16,488.90	\$1,000.00					\$0.00	\$0.00
VA	\$31,520.51	\$127,307.04	\$39,192.11	\$157,524.99	\$150,286.08	\$50,223.58	\$34,855.15	(\$15,368.43)
OPDV	\$37,433.24	(\$23,592.53)	(\$81,483.77)	\$23,914.30	\$452,924.76	\$69,814.66	\$48,928.38	(\$20,886.28)
COC	\$20,175.89	\$14,905.53	\$10,112.34	\$24,890.03	\$18,497.40	\$29,077.42	\$4,269.04	(\$24,808.38)
CPB	\$1,094,178.06	\$46,622.62	\$115,985.04	\$158,005.12	\$196,557.71	\$113,105.05	\$58,002.25	(\$55,102.80)
REG REFRM	\$547,000.51	\$667,357.17	\$297,448.71	\$55,136.92	\$135,408.21	\$97,131.72	\$24,163.75	(\$72,967.97)
SOFA	\$623,829.64	\$589,612.75	\$825,603.14	\$821,287.91	\$1,741,882.68	\$985,106.49	\$895,025.07	(\$90,081.42)
Arts	\$313,700.72	\$341,671.92	\$315,436.03	\$476,589.99	\$528,104.44	\$446,941.98	\$343,398.66	(\$103,543.32)
FTSI				\$783,549.61	\$825,000.00	\$537,000.00	\$432,000.00	(\$105,000.00)
ABC	\$330,326.78	\$160,640.66	\$312,122.37	\$329,723.88	\$633,485.53	\$724,398.93	\$617,516.24	(\$106,882.69)
DHCR	\$1,466,671.08	\$1,646,848.06	\$2,034,753.48	\$2,398,210.07	\$3,234,093.27	\$3,058,026.52	\$2,936,877.02	(\$121,149.50)
DPCA	\$124,261.31	\$32,308.25	\$88,142.23	\$131,888.74	\$126,332.94	\$146,756.61	\$21,616.55	(\$125,140.06)
APA	\$444,159.48	\$518,205.31	\$160,423.71	\$121,030.47	\$371,640.77	\$349,007.82	\$219,865.28	(\$129,142.54)
DHR	\$800,441.52	\$446,422.95	\$274,711.04	\$676,822.31	\$795,508.13	\$712,866.24	\$481,810.24	(\$231,056.00)
CVB	\$115,115.02	\$201,161.63	\$118,800.81	\$308,424.88	\$314,574.60	\$383,468.56	\$152,240.69	(\$231,227.87)
CQCMD	\$3,211,206.21	\$3,717,689.89	\$4,721,651.52	\$4,619,676.28	\$4,179,648.33	\$4,624,094.41	\$4,367,932.73	(\$256,161.68)

**Chart 1 Consultant Expenditures Increased By \$36 million In SFY 2009-10 (cont)<sup>2</sup>**

Agy	3/31/2004	3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009	3/31/2010	2009-2010 Diff.
AM	\$13,751,159.26	\$17,355,361.11	\$20,275,806.73	\$20,330,888.53	\$21,605,775.93	\$22,817,130.02	\$22,086,142.74	(\$730,987.28)
PSC	\$2,299,299.39	\$1,901,716.28	\$2,700,092.58	\$2,109,984.55	\$1,869,886.24	\$2,966,485.73	\$2,223,801.75	(\$742,683.98)
ORPS	\$1,559,700.71	\$1,764,382.61	\$1,601,480.48	\$1,650,674.16	\$1,478,546.87	\$1,383,875.90	\$591,569.28	(\$792,306.62)
DOS	\$4,043,140.13	\$4,167,226.38	\$4,819,210.17	\$4,578,958.93	\$6,484,152.34	\$6,667,027.85	\$5,761,045.61	(\$905,982.24)
Lottery	\$12,163,201.00	\$9,955,974.15	\$13,373,180.17	\$23,289,024.77	\$9,301,857.58	\$14,528,955.35	\$13,618,580.03	(\$910,375.32)
OASAS	\$4,748,472.86	\$5,575,720.19	\$7,762,826.76	\$7,943,305.75	\$10,698,974.22	\$9,499,526.30	\$8,181,260.57	(\$1,318,265.73)
Police	\$8,394,643.98	\$5,000,489.39	\$6,934,211.05	\$10,108,505.12	\$9,103,358.20	\$11,086,996.01	\$9,547,133.01	(\$1,539,863.00)
DCS	\$4,515,464.05	\$3,562,115.38	\$3,315,253.53	\$4,055,921.65	\$3,236,529.74	\$3,005,139.41	\$1,451,161.40	(\$1,553,978.01)
Bank	\$1,133,602.56	\$1,197,922.53	\$1,634,925.13	\$1,796,977.23	\$3,259,528.26	\$3,233,364.48	\$1,576,978.15	(\$1,656,386.33)
OMIG				\$5,921,790.53	\$7,824,882.33	\$8,291,558.27	\$6,576,384.44	(\$1,715,173.83)
Parole	\$10,396,852.98	\$10,427,939.40	\$12,202,735.63	\$14,269,181.95	\$14,263,802.36	\$6,859,769.80	\$5,109,962.26	(\$1,749,807.54)
OPRHP	\$9,909,318.88	\$9,716,740.71	\$12,867,681.33	\$14,350,831.67	\$20,794,696.35	\$21,949,199.92	\$20,140,718.17	(\$1,808,481.75)
OSC	\$21,541,865.02	\$19,207,007.07	\$18,248,774.86	\$23,451,451.08	\$28,632,300.64	\$26,542,464.86	\$24,707,535.56	(\$1,834,929.30)
OHS	\$2,997,064.58	\$3,156,208.17	\$5,290,469.64	\$7,857,036.83	\$10,228,741.44	\$11,157,849.09	\$9,217,712.84	(\$1,940,136.25)
DOB	\$7,252,374.40	\$7,825,978.30	\$13,326,676.29	\$15,953,994.61	\$7,071,552.38	\$9,049,642.70	\$6,590,244.18	(\$2,459,398.52)
DOCS	\$127,476,168.53	\$160,839,946.52	\$156,423,110.52	\$174,877,599.26	\$174,870,026.97	\$181,239,638.42	\$177,634,397.34	(\$3,605,241.08)
Law	\$9,667,238.47	\$11,040,972.22	\$13,518,288.75	\$21,576,085.50	\$18,172,904.73	\$19,938,325.56	\$14,823,687.88	(\$5,114,637.68)
RW	\$2,392,272.10	\$2,394,400.48	\$2,796,273.72	\$473,698.39	\$3,219,102.56	\$6,078,658.53	\$68,960.88	(\$6,009,697.65)
WCB	\$21,699,673.62	\$25,036,295.33	\$27,694,971.30	\$32,969,321.59	\$33,599,369.66	\$32,190,697.20	\$23,440,769.98	(\$8,749,927.22)
OFT	\$52,470,084.25	\$55,884,263.68	\$59,455,857.47	\$69,957,713.71	\$69,562,336.02	\$65,334,963.84	\$53,282,088.58	(\$12,052,875.26)
DCJS	\$5,743,787.33	\$6,806,888.38	\$7,687,043.15	\$14,833,239.43	\$22,644,090.45	\$30,967,859.30	\$17,949,339.51	(\$13,018,519.79)
EnCon	\$40,560,521.71	\$51,348,711.16	\$86,815,515.44	\$85,978,781.66	\$130,333,499.25	\$97,047,473.65	\$81,431,484.32	(\$15,615,989.33)
T&F	\$98,908,619.83	\$109,331,686.03	\$98,852,455.99	\$88,655,424.74	\$88,815,404.24	\$79,604,157.00	\$62,775,781.91	(\$16,828,375.09)
OCFS	\$114,862,006.82	\$112,868,570.89	\$118,605,139.00	\$120,753,881.58	\$132,936,054.08	\$154,577,009.51	\$114,950,643.31	(\$39,626,366.20)
Insur	\$3,515,921.37	\$5,338,741.58	\$86,471,435.35	(\$60,547,788.83)	\$69,371,923.28	\$70,327,387.97	\$8,289,675.88	(\$62,037,712.09)
<b>TOTAL</b>	<b>\$2,262,683,410.72</b>	<b>\$2,340,163,387.46</b>	<b>\$2,548,082,878.19</b>	<b>\$2,678,870,210.71</b>	<b>\$2,781,464,569.35</b>	<b>\$2,888,330,198.78</b>	<b>\$2,925,000,331.59</b>	<b>\$36,670,132.81</b>

<sup>2</sup> Source: Current OSC CTL 470 report

**Chart 2 Consultant Expenditures for General Information Technology Services and Engineering Increased in SFY 2009-10<sup>3</sup>**

CatDescription	3/31/2004	3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009	3/31/2010	2009-2010 Diff.
IT Consultant - Design/Develop	133,326,647	159,591,442	180,832,651	188,399,894	206,399,851	219,515,019	198,507,702	(21,007,316)
IT Software Installatn/Integratn	20,453,284	11,487,501	11,904,994	11,829,351	13,873,129	15,454,694	11,487,857	(3,966,837)
IT Software Maintenance	27,901,400	36,966,421	42,210,897	76,572,753	83,310,146	76,928,554	80,594,482	3,665,929
IT Hardware Maintenance	26,698,539	31,737,211	33,107,307	31,966,300	63,330,267	52,359,760	58,684,201	6,324,440
IT Services - Other	100,459,498	90,918,426	113,006,891	118,314,798	109,745,293	103,507,080	123,991,557	20,484,477
Accounting & Auditing Services	6,781,389	8,057,012	13,269,734	11,202,923	11,007,091	11,260,068	24,178,379	12,918,311
Legal Services	12,163,914	17,220,507	12,740,548	12,245,428	13,788,257	16,100,831	13,646,135	(2,454,697)
Medical/Clinical Services	130,964,528	155,972,405	227,114,838	221,309,058	217,447,696	216,494,099	230,497,373	14,003,274
Client Services	84,640,440	90,612,318	104,122,989	110,054,470	103,896,891	119,409,394	118,861,297	(548,097)
Conferences/Training Services	66,262,954	68,661,150	74,592,588	86,385,100	90,235,797	81,963,175	64,789,073	(17,174,102)
Other Services	1,431,006,441	1,393,699,878	1,476,771,758	1,516,323,348	1,549,624,065	1,657,590,120	1,673,448,602	15,858,482
Cnslt Svcs - Architects - State Prj	998,329	2,177,200	4,124,394	1,347,077	614,707	781,234	819,680	38,446
Cnslt Svcs - Engineers - State Prj	110,582,820	132,653,243	121,662,398	132,972,606	133,077,138	136,484,333	145,184,141	8,699,808
Cnslt Svcs - Bridge Inspection	19,329,686	27,203,980	19,428,631	28,012,711	24,185,703	34,381,740	34,271,111	(110,629)
Cnslt Svcs - Engineering Supvn	61,403,758	71,465,869	75,798,620	85,728,366	111,122,201	87,050,155	82,730,072	(4,320,083)
Cnslt Svcs - Material Testing	7,436,128	7,582,403	6,536,437	7,709,129	6,858,940	5,992,774	4,906,056	(1,086,718)
Cnslt Svcs - Other	21,776,815	33,517,722	30,251,858	38,183,450	40,992,186	51,692,082	56,654,417	4,962,335
Cnslt Svcs - Other Loc & Pub Auth Proj	496,841	638,697	605,343	313,449	1,955,211	1,365,087	1,748,196	383,109
	2,262,683,411	2,340,163,387	2,548,082,878	2,678,870,211	2,781,464,569	2,888,330,199	2,925,000,332	36,670,133

CatDescription	3/31/2004	3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009	3/31/2010	2009-2010 Diff.
IT All Categories	308,839,367	330,701,001	381,062,741	427,083,097	476,658,686	467,765,107	473,265,800	5,500,692
Cap Proj - Engineering	191,316,264	231,323,092	216,889,650	246,713,683	268,385,042	257,916,228	262,185,324	4,269,096
Cap Proj - All Categories	222,024,377	275,239,115	258,407,682	294,266,788	318,806,086	317,747,404	326,313,672	8,566,269

<sup>3</sup> Source: Current OSC CTL 470 Report